



# International questions and climate issues

adopted at the 28<sup>th</sup> Statutory Congress  
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Investing  
in equality



The Swedish Trade Union Confederation

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# International questions – Introduction

## **The Swedish Trade Union Confederation (LO) in the world**

The Swedish Trade Union Confederation (LO) works for a world in which free and democratic trade union organisations can grow strong and operate freely. We work for a world in which national and international regulations guarantee workers' fundamental trade union and human rights, both in working life and in society.

In the globalised world we live in today we aim for social, economic and environmental sustainability. This means that initiatives for inclusive economic development must have equality, fair distribution, gender equality, full employment and social protection as guiding principles.

LO's task of safeguarding its members' interests requires cross-border trade union work. Trade union collaboration within the European Trade Union Confederation (ETUC) and the International Trade Union Confederation (ITUC) is of considerable significance for international trade union successes, particularly as regards the fight against social dumping.

National management of a growing number of trade union policy areas is influenced both directly and indirectly by decisions in international bodies. For example, more than half of the questions on the national and municipal political agenda in Sweden are influenced by the EU. We are also influenced by developments in the World Trade Organisation (WTO), the International Monetary Fund (IMF), the UN and its labour organisation the ILO, as well as by bilateral trade agreements signed between the EU and other regional associations or states.

### **Strong trade union organisations in the rest of the world**

Trade union strength, national and global, is based on high trade union density, legitimacy and representativeness. In an increasingly globalised working life the strength of the trade unions in Sweden is linked to trade union strength in the rest of the world. When workers in other countries have the collective strength to negotiate better pay and conditions, the global economy can work in everyone's favour in the long term. Trade union strength can reduce the inequality and gender inequality that arise as a consequence of globalisation.

Unfortunately, trade union density is low in many countries, which weakens trade union influence and co-determination, both as regards development in firms and in society as a whole. Consequently, it is important that the trade union struggle and organisation succeeds in all countries.

Trade union collaboration in Europe, particularly round the Baltic Sea, becomes increasingly important as the region is interlinked politically, socially and economically through EU cooperation. There are alarming anti-trade union tendencies in many of our East European neighbour countries, which undermines the trade union struggle. LO has decided to actively build relations and intensify collaboration with sister organisations in the Baltics and Eastern Europe. Partly to strengthen trade union activities and contribute to a more trade union friendly EU, and partly to ensure in solidarity that workers coming to Sweden in hopes of work and self-sufficiency are guaranteed conditions and trade union rights in accordance with collective agreements.

Trade union development cooperation conducted by LO also aims to support independent and democratic trade union organisations in the work for decent working conditions and better quality of life, for both women and men. The right and

opportunity to be organised in trade unions without the risk of violations must be made a reality for everyone in the world.

### **Respect for human rights at work and decent work**

Respect for international standards of protection of trade union rights such as the right to collective bargaining, right to organise and the right to strike is a precondition for trade union organisation. Consequently, LO will also work to ensure that human rights in working life become an integrated part of the view of human rights and that the ILO Decent Work agenda is integrated into policy nationally and internationally. Equality between people is increased through social dialogue, full employment, social protection and fundamental rights (the component parts of the Decent Work agenda).

The UN labour organisation, the ILO, is a tripartite body in which representatives of employers, trade union organisations and governments gather. The ILO Conventions are legal and political tools that regulate fundamental human rights in working life, both in Sweden and globally. The ILO's eight Core Conventions are universal and binding for the Member States. Despite the fact that most countries in the world have ratified these and many other ILO Conventions, compliance is often deficient. According to the International Trade Union Confederation (ITUC) Global Rights Index, violations of trade union rights are increasing every year and at present about half of the world's working population live in countries that do not even guarantee the right to form trade unions. Here the whole trade union movement is facing major challenges to push developments in a positive direction in collaboration with progressive political parties.

Sweden should be a leader in the work for human rights in working life and show the way for other countries. This means

above all that Sweden should ratify the following important ILO Conventions:

- ILO Convention No. 94 on Labour Clauses (Public Contracts)
- ILO Convention No. 189 on Domestic Workers
- The Protocol to ILO Convention No. 29 on Forced Labour

### **Transparency and free trade**

The Swedish trade union movement has always had a positive basic attitude to transparency and free trade. Sweden, which is a small export-dependent country, gains from reduced barriers to trade and investment. The new form of international trade and investment agreements that are not only concerned with customs and tariffs meet the change in trade and investment flows. Digitalisation and e-commerce, blurred distinctions between goods and service production and the fact that firms' production often consists of long and complex value chains, are important premises in today's globalised trade.

A transatlantic trade and investment partnership (TTIP) between the two largest global actors, the EU and the USA, could form a global template for how the new generation of agreements can be made in future, particularly as regards workers' rights. LO's starting point is that workers' rights and conditions may never be regarded as a trade barrier. LO has worked actively to influence TTIP negotiations for the purpose of achieving a partnership that contributes to increased welfare, without jeopardising democratic decisions and undermining workers' rights. LO also wants to protect national political room to manoeuvre, especially as regards public services.

The international debate on trade and investment needs to be followed by a discussion on distribution. If the goal is to create sustainable social, economic and environmental development, then trade and investment cannot continue to be con-

ducted at any price. If the purpose is to raise the general standard of living, then steps must be taken to distribute the profits arising from increased trade. Workers, both women and men, need to receive a fair share of what globalisation creates. The Nordic countries' competitiveness shows, in an international perspective, that transparency can be combined with security and equal distribution.

### **Sustainable development and balance between labour and capital**

Globalisation of the labour market has many advantages, but the profits that have arisen are unequally distributed. Economic disparities are increasing in most societies, even if there has been some equalisation between countries. Inequality is both a threat to social cohesion and simultaneously an obstacle to growth. It is important to ensure that new jobs that are created are decent and lead to growth that everyone can share in. Consequently, LO is endeavouring to ensure that the advantages of globalisation are shared by more people and the problems in global working life are dealt with jointly.

In its international work LO promotes the Global Deal objective of decent working conditions and inclusive growth, for the purpose of achieving a better balance between labour and capital. This Swedish government initiative, which is in line with the UN sustainable development goals in the 2030 Agenda, is crucial to increased equality in an international perspective.

Goal 8 in the UN Sustainable Development Agenda (the 2030 Agenda) concerns achieving sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. However, the ILO paints a dark picture of the challenges of global working life: Last year there were 2.3 million work-related deaths, 310 million non-lethal ac-



cidents and 160 million work-related cases of illness. Almost 80 per cent of the world's population has no access to social safety nets such as social insurance. There are 200 million unemployed, youth unemployment is a global problem, women do not have the same opportunities in the labour market as men and migrant workers are particularly vulnerable. In addition, there is the ongoing climate change. The climate issue is also a fairness issue for the trade union movement. Adaptation to more sustainable development will be costly and the adaptation must be made in fair and socially acceptable forms.

The Global Deal initiative is central to realising both goal 8 and several other of the new sustainability goals, in particular the gender equality and reduced inequalities goals. The means – the core of the Global Deal vision – are effective labour market relations (social dialogue) globally and respect for human rights in working life in all countries of the world. The Global Deal initiative should be given a prominent role in Swedish development aid policy, so that cooperation between partners is given a clear role in Swedish international development cooperation.

### **Energy and climate**

The world is facing an extensive structural transformation aimed at reducing emissions of greenhouse gases. The economic developments of the twentieth century were made possible through increased energy consumption, above all of fossil fuels such as oil, coal and gas. At the same time this has given rise to climate changes which, if made worse, will adversely affect our conditions of life. Consequently, world leaders made a decision in Paris in 2015 that emissions of greenhouse gases must decrease drastically. This makes great demands on future Swedish industrial policy. It is a matter of making transport fossil free, removing emissions of carbon dioxide from steel

and cement production, for example, and limiting emissions of greenhouse gases from agriculture. For a successful combination of high employment and growth with reduced climate impact a cohesive strategy is required

### Global value chains

Global value chains currently pose one of the greatest challenges to the national and global trade union movement. When 1,136 people lost their lives in April 2013 in a textile factory in Rana Plaza, Bangladesh, the general public was made aware of the high price workers have to pay for the constant hunt for lower production costs. After the collapse, the global union federations UNI and IndustriAll initiated an Accord on Fire and Building Safety, for the purpose of improving the work environment for textile workers in Bangladesh. More than 180 global companies from 20 countries have signed the Accord, which is now being followed up with inspections and negotiations for compensation for the victims.

The past decades' changed production patterns within companies affect our trade union work. Our traditional tools, such as education, negotiation and collective agreements, only work in relation to employees and employers in the traditional sense. As regards firms' entire production chains, however, the challenges are greater and more difficult.

The economic strength and power of global companies is increasing, compared with that of nation states, and companies' operations are becoming increasingly cross-border. Currently about half of the world's hundred largest economies are companies. The production processes of goods are globalised in that production is fragmented and localised where the cost is lowest, thus maximising profit for the producers. The ILO estimates that one out of five workers in the world works with-

in the global value chains and according to the OECD/WTO about 60–80 per cent of world trade passes through a wide variety of production chains.

Aggressive tax avoidance planning develops in the wake of production chains that are increasingly hard to grasp and firms' increased profit requirements. UNCTAD (the UN organisation for trade and development) recently showed that developing countries lose about SEK 830 billion (2015) in tax revenues every year due to firms' deliberate strategy to avoid all forms of taxation. For every dollar increase in developing countries' incomes since 2008 they have lost two dollars through such things as tax avoidance. This is a clear example of the deficient structure of global financial systems for the poorest countries and that this consequently constitutes a development barrier (Eurodad – European Network on Debt and Development). Through the International Trade Union Confederation (ITUC) and TUAC, (Trade Union Advisory Committee to the OECD, LO endeavours to prevent tax avoidance by supporting the OECD's action plan against aggressive tax planning by transnational corporations.

### **Companies' responsibility for human rights at work**

More and more companies have adopted codes of conduct, in other words rules for their own desired ethical and moral behaviour. The international trade union movement, of which LO is a part, believes that this form of corporate social responsibility (CSR) is not sufficient and that companies should enter into agreements with the trade unions on these matters. This supports stronger trade union organisation, efficient labour market relations and also strengthens the credibility of corporate working methods. There are currently about 150 global framework agreements between multinational enterprises and

global trade unions, of which just under 10 agreements with Swedish multinationals.

LO's work related to corporate responsibility and respect for human rights in recent years has produced, in cooperation with the national unions, a model for global framework agreements on human rights and conditions in working life, requiring companies to actively promote respect for fundamental workers' rights throughout the production chain. The model agreement is an important tool to enable the realisation of the objectives of the Global Deal and the 2030 Agenda's Decent Work goals, as well as making the trade union movement a proactive voice in the Swedish debate on corporate social responsibility.

LO has also worked with the OECD Guidelines for Multi-national Enterprises and the UN Framework for Business and Human Rights, which are valuable tools in trade union work to improve human rights and conditions in working life. In recent years there have been discussions about starting a "Swedish initiative for ethical trade", similar to those in Norway, Denmark and the United Kingdom. For LO's part, this work should take its cue from trade union work for firms' value chains, as well as linking up with the work on a Global Deal.

### **Trade union capital for sustainability**

LO and its affiliates have another lever for increasing respect for and compliance with trade union rights and decent working conditions in both international and national companies. This is the fact that they are active in using both their own and other capital under their control in a smart and coordinated way. Right now LO is conducting a project, CSR4REAL, to coordinate the demands of the trade union movement and other non-profit capital owners for sustainability, for the purpose of gaining a greater impact on matters concerning the

environment, human rights and corporate governance. This work is done in collaboration with the international trade union Committee on Workers' Capital.

### **Play Fair**

LO also uses other arenas and fora to draw attention to trade union and other human rights. For example, in the Play Fair project, LO and its affiliates collaborated with sports associations in Sweden on human rights and international sporting events. This work targets both the sport and companies and sponsors in construction, tourism and the textile sector. The cooperation agreements signed by LO in 2014 with the Swedish Olympic Committee and the continued work with the sports world in Sweden has laid the foundation for continued dialogue, both nationally and internationally, on how human rights are to be respected in connection with major championships and sports events.

### **Fairtrade**

Another tool at the disposal of LO is owning, together with the Church of Sweden, the Fairtrade trademark in Sweden and working actively to develop Fairtrade International's business. In recent years there has been increasing focus on the role and responsibility of consumers for human rights in production. When consumers, organisations and companies trade in Fairtrade certified products they contribute to improving the lives of growers and workers who produce food. An important part of Fairtrade's criteria is to support trade union rights and local democracy development.

### **EU as a political counterweight to global capital**

EU cooperation is important for Sweden and LO. We need an EU that safeguards democracy and human rights in working

life, both within and outside the EU. We need an EU that takes the lead for new climate smart growth, and that promotes a social Europe. The EU should function as an instrument for developing a political counterweight to corporate internationalisation and global capital movements. When firms and capital operate transnationally, politics must work in the same way. The EU becomes an opportunity for joint regulation of markets that can only be regulated with difficulty by the respective member state alone.

### **Trade union rights and social partners' autonomy in the EU**

In the wake of the economic crisis, EU leaders have compromised on values that previously were incontrovertible, including respect for human rights in working life. This has had dramatic consequences for trade union rights in the EU and today Europe accounts for the greatest increase in violations of trade union rights. Consequently, in the European trade union work, LO has put considerable focus on trade union rights, and we participate for example in a Nordic-Baltic trade union collaboration to strengthen trade union rights in the Baltic on the basis of the ILO Core Conventions.

LO has also been active, together with the European Trade Union Confederation, in guaranteeing that EU crisis management respects the autonomy of the parties, as well as developing the cross-sectoral social dialogue at EU level, through active participation and strong collaboration between national unions.

The threat to social partners' autonomy and thus to free trade unions has been accentuated and assumed new forms since the economic crisis started in 2008. Politicians in the EU, and particularly in the euro area, have regarded wage formation as an area of political coordination. During the crisis, hard-hit countries such as Greece, Portugal, Spain and Ireland were

forced to reduce wages and reform the wage formation systems. The political idea that competitiveness must be strengthened by means of reduced wages has, however, had a deeper impact and is now an integral part of EU economic policy. Between 2011 and 2015 a number of Member States have been required annually by the European Commission to reduce wages and change forms and systems of wage formation. A clear example is the Commission's wish that wage formation should take into account economic viability right down to enterprise level. For example, Spain has been exhorted to abandon trade union negotiations at industry level and to replace them with negotiations at enterprise level, with a view to restricting the normative effect of collective agreements.

This is deeply disturbing, particularly in light of the coming intensified cooperation in the euro area. The priority of LO is to defend fundamental trade union rights and social partners' autonomy. This at a time when trade union strength in the rest of the world and specially in our near abroad is of crucial significance for LO's long-term capacity to safeguard our members' interests. In this context it is important to create alliances to preserve our collective agreement based bargaining model. The high degree of independence of the social partners is unique in an international perspective and has created conditions for good working conditions for employees and competitive neutrality for firms.

### **Social protocol for balance between labour and capital in the EU**

The goal of European trade union cooperation is to strengthen the position of workers in a market with free movement of capital, labour, goods and services. Otherwise there is a risk of increasing imbalance between capital and labour, leading to insecure employment and downward pressure on wages. The

EU has a unique opportunity to regulate the market, for example through minimum labour law provisions that are binding on all Member States.

In recent years, however, another basic approach to EU cooperation has predominated. That approach chooses to regard market integration and free movement as the main task of the EU. Economic development is to be promoted by removing barriers to business activity. This view makes the EU into an instrument of deregulation.

The conflict between the two competing views on the role of the EU ultimately concerns how far the principle of free movement should be applied. The European Court of Justice ruling in the Laval case is evidence of the explosive force of this political struggle. What the Court established in practice was that a national requirement for equal treatment of workers cannot be accepted, as it constitutes an obstacle to free movement, in other words that trade union rights are subordinate to free movement.

The Swedish Trade Union Confederation can never accept such an approach. Creation of a better balance between trade union rights and economic freedoms requires a treaty amendment, in which a social protocol is added to the EU Treaty. The social protocol must establish that fundamental human and trade union rights are not subsidiary to the economic freedoms in the internal market. And in the event of a conflict, fundamental human and trade union rights are to have priority.

LO's demand for a social protocol can only be realised if Sweden and other Member States make it a clear requirement in connection with a coming amendment of the EU Treaty. Consequently, LO has worked actively to create as much political support as possible for the demand for a social protocol. Apart from in Sweden there is now an agreement between central



trade union organisations and social democratic parties in Austria and Germany. The ambition is that political parties from a majority of EU Member States will adopt the agreement during the coming Congress period. This would make it impossible to ignore the issue in future amendments to the Treaty.

LO's task is to safeguard its members' interests. Therefore, in the fight against social dumping international trade union cooperation is decisive. In the work of achieving the goals of equality, justice, gender equality, decent working conditions, strong trade union organisations and respect for human rights in working life, LO must work both nationally and internationally.

#### **The 28<sup>th</sup> Statutory Congress of LO resolved**

**that** the LO Executive Council be instructed to work to ensure that Sweden ratifies ILO Convention 94.

**that** LO, together with its affiliates, draws up a solid impact assessment that clearly analyses the consequences that TTIP will have for the Swedish trade union movement.

**that** LO rejects the signing of TTIP if it contains ISDS that jeopardises democratically made decisions, trade union and human rights;

**that** LO shall work actively to ensure that the TTIP agreement that may take place should include guarantees of human and trade union rights and freedoms,

**that** LO shall work actively to ensure that public services, regardless of the form of financing, shall be exempted from trade agreements between the EU and the USA, the global trade in services agreement, TiSA, and future trade agreements;

**that** LO shall work actively to ensure that procurement criteria for public procurement are clear enough to remove any

- doubt about which legislation is applicable. The procurement criteria of the trade agreements must not be worse than what is described in European legislation;
- that** LO shall work actively to ensure that current and future trade agreement negotiations are changed to take into account the right of States to govern their own affairs democratically;
  - that** LO introduces a general policy of priority for Fairtrade-labelled goods;
  - that** LO investigates the possibility of starting a Swedish ethical initiative as soon as possible together with its affiliates. This includes identifying important actors for a future ethical initiative in Sweden as well as
  - that** TCO and Saco be invited to work together with the trade union framework organisation Union to Union to investigate and possibly establish an ethical initiative in Sweden;
  - that** LO prepares material forming the basis of a joint trade union strategy for sustainable production and fair distribution of profits in the global value chains;
  - that** LO, through the ETUC and ITUC, works to ensure coordination of global trade union action on multinational companies' value chains;
  - that** the ETUC and ITUC are commissioned to work to ensure that at least 50 per cent of the multinational companies' profits are invested in the countries where production takes place;
  - that** the LO Executive Council is instructed to work to ensure that the trade union movement and the Social Democratic Party work actively to introduce a social protocol in the EU to protect trade union and human rights.
  - that** LO and its affiliates strongly influence the Swedish Gov-

- ernment and our members of the European Parliament to abolish 92/106/EEC, the Combined Transport Directive;
- that** LO reinforces the work for sustainable service production with climate smart solutions
  - that** LO is a driving force to stimulate higher ambitions for climate smart renovation of the existing housing stock
  - that** a broad cross-party agreement is achieved based on creating conditions for long-term and stable energy supply and that the focus should be on minimised global climate impact taking into consideration the international conditions of competition to which Swedish industry is exposed
  - that** LO prepares and adopts a cohesive environment-climate, resource efficiency and sustainability policy that describes what LO is to achieve with its environment-climate, resource efficiency and sustainability work, as well as how LO is to ensure that this is done and
  - that** an internationally focused project be initiated that investigates which of the 17 UN Sustainable Development Goals, including interim goals, that LO and its affiliates can contribute most to achieving via the policy pursued by LO internationally, linked to the work of the affiliates at home and the work that LO and its affiliates' international development projects can contribute to.
  - that** LO together with its affiliates prepares a climate policy action plan.
  - to** instruct the LO Executive Council to work to ensure the achievement of a broad cross-party agreement based on securing stable electricity generation with minimal impact on the environment and climate, taking into consideration international conditions of competition.
  - that** there is a prompt review of current rules and processes for granting environmental licenses for industrial activ-

ities, for the purpose of proposing changes with a view to cutting processing times for industrial environmental licenses by at least half and that new and more effective rules are in place by 2018.



## The Swedish Trade Union Confederation



**BYGGNADS**

**Elektrikerna**



**Fastighets**



FACKET FÖR SKOGS-, TRÄ-  
OCH GRAFISK BRANSCH



**Handels**



**IFMETALL**

**Kommunal.**

**Livs**



**Musikerförbundet**



Svenska  
**MÅLAREFÖRBUNDET**



**PAPPERS**



**seko**



TRANSPORTARBETAREFÖRBUNDET  
**1897**